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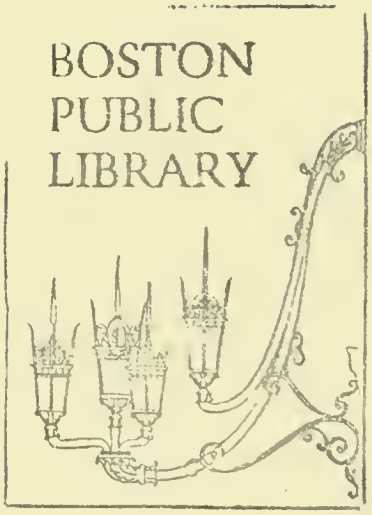
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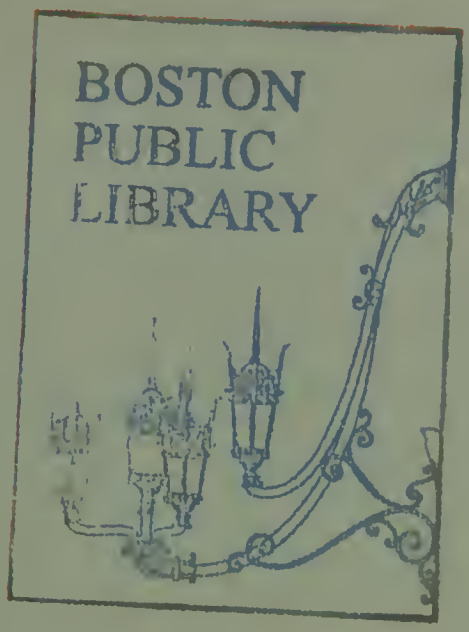

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Transient Housing Demand Analysis

South Cove Project

BOSTON, MASSACHUSETTS

Prepared for

City of Boston and

Boston Redevelopment Authority

Larry Smith & Company, Inc.

th Cove
LT

TRANSIENT HOUSING DEMAND ANALYSIS

SOUTH COVE URBAN RENEWAL AREA

BOSTON, MASSACHUSETTS

Prepared for

City of Boston and
Boston Redevelopment Authority

June 30, 1967
Revised
March 17, 1969

Larry Smith & Company, Inc.
420 Lexington Avenue
New York, N. Y. 10017

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REAL ESTATE CONSULTANTS

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March 17, 1969

City of Boston and
Boston Redevelopment Authority
New City Hall
One City Hall Square
Boston, Massachusetts 02201

Dear Sirs:

We have reviewed our report entitled "Transient Housing Demand Analysis, South Cove Project, Boston Massachusetts," dated June 30, 1967. We are familiar with developments and circumstances which affect the market for transient housing in Boston. In our opinion there have been no changes in Boston since submission of the foregoing report which would materially affect the conclusions of said report, and accordingly we believe the conclusions are still valid.

However, it should be noted that hotel occupancy rates in Boston have experienced an uptrend in the last few years. The most recent figures available show a rate of 72% for 1966 and 77% for 1967. In addition, some of the proposed hotel facilities have opened since 1967...notably the Holiday Inn in the West End Urban Renewal Project and the Fenway in Cambridge. These changes are reflected in the following report.

Very truly yours,

LARRY SMITH & COMPANY, INC.

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INTRODUCTION

This analysis evaluates the feasibility of developing a hotel or motor-hotel at one or more of four specified locations in Boston's South Cove Urban Renewal Area (Massachusetts Project R-92). Specifically, this study has been prepared to meet the requirements of Section 106 (G) of Title 1 of the Housing Act, as amended, which provides that in instances where the development of transient housing facilities is permitted in an urban renewal project, the local supply of transient housing units and the need for additional such units be investigated through an independent analysis.

A considerable amount of data pertaining to the Boston transient housing market had been collected by Larry Smith & Company in 1964 for an analysis of the demand for transient housing facilities in Boston's Government Center Urban Renewal Area. The information gathered at that time has been updated to the present to reflect the changes in the market which have occurred. Foremost among these changes are the development of a significant number of first class transient housing units in Boston since 1964, the opening of the 6,000-seat War Memorial Auditorium which has improved Boston's position to attract major conventions, and the impressive progress which has been made in executing the city's many urban renewal projects which, in total, will tend to increase Boston's already dominant position as the major center of commerce and industry in all of New England.

In evaluating the opportunities to develop a transient housing facility in the South Cove Urban Renewal Area, consideration has been given not only to the total demand for such facilities in the entire Boston area and in central Boston in particular, but also to the specific location of each of the designated parcels relative to major highways, office space concentrations, and convention and other tourist-oriented facilities. Furthermore, since Boston is a mature city and currently has a large number of old transient rooms which are at present under-utilized and which will become increasingly less competitive as more new and modern facilities are introduced into the market, the report comments on the need to replace the existing inventory of transient accommodations in an orderly fashion.

In addition to certain assumptions which pertain to specific aspects of the analysis, the following general assumptions underlie the entire report:

1. There will be no major economic depression either in the United States in general or in the Boston area in particular.

2. The United States will not become involved in, nor be affected by, any major war.

3. Published industry statistics and information obtained from knowledgeable local sources are sufficiently accurate for purposes of this analysis, and

4. Any transient housing facility developed in the South Cove Urban Renewal Area will be developed within a reasonable period of time so as to preclude changes in competitive conditions assumed and, furthermore, will be competitive in terms of management and operating policies.

5. The South Cove Urban Renewal Plan as currently proposed will be carried out expeditiously and in full.

6. Finally, this analysis of transient housing demand is made under the assumption that the disposition of potential transient housing parcels will be within the framework of the plan.

SECTION 1

THE SUPPLY OF TRANSIENT FACILITIES CENTRAL BOSTON AND VICINITY

Any new transient facility developed in the South Cove Urban Renewal Area will be competing with other first class facilities located within a reasonable distance from downtown Boston and other areas of the city which attract visitors, such as the Back Bay area. Therefore, in evaluating the supply of transient accommodations in the central Boston area, consideration has been given to those facilities which are located in the Central Business District, the Back Bay area, and the close-in portions of Cambridge. It can be expected that most visitors to Boston who intend to stay in a transient facility in the city rather than a suburban motor-hotel will be attracted to this general area, both on account of the distribution of facilities in the city and the locational preferences of people desiring to stay in the city proper.

This area has traditionally been the area in which transient facilities have been operating and, until the post-war development of suburban motor-hotels, almost all of the first class facilities in the Boston region were located here. In determining the number of transient rooms located in this area, consideration has been given only to first class facilities. While it is difficult to specify, particularly in marginal cases, whether a hotel is a first or second class facility, the term as used in this report generally refers to those hotels which would appeal to tourists, convention delegates, businessmen, and other visitors who seek pleasant accommodations rather than simply shelter. Excluded, therefore, from this analysis are hotels which serve primarily permanent residents and hotels which do not have such minimum amenities as air-conditioning, television, and a bath for each transient room.

Against this relatively broad definition of first class transient accommodations, it is estimated that at present there are some fourteen major hotels or motor-hotels with about 6,100 rooms in the area delineated. These facilities are listed in Table 1 on the following page which is keyed to the map facing. As may be noted from the table, about 1,360 or about 22% of these first class rooms have been built in recent years; the majority of guest rooms, however, are located in the older hotels which have operated in this part of Boston for many years.

Of the 1,360 new rooms 1,000 are contained in the Sheraton-Boston which opened recently in the Prudential Center. This hotel is the second largest in the entire city and the only major hotel which has been

(Text continued Page 3)

THE SOUTH COVE URBAN RENEWAL AREA & VICINITY

● MAJOR TRANSIENT FACILITIES

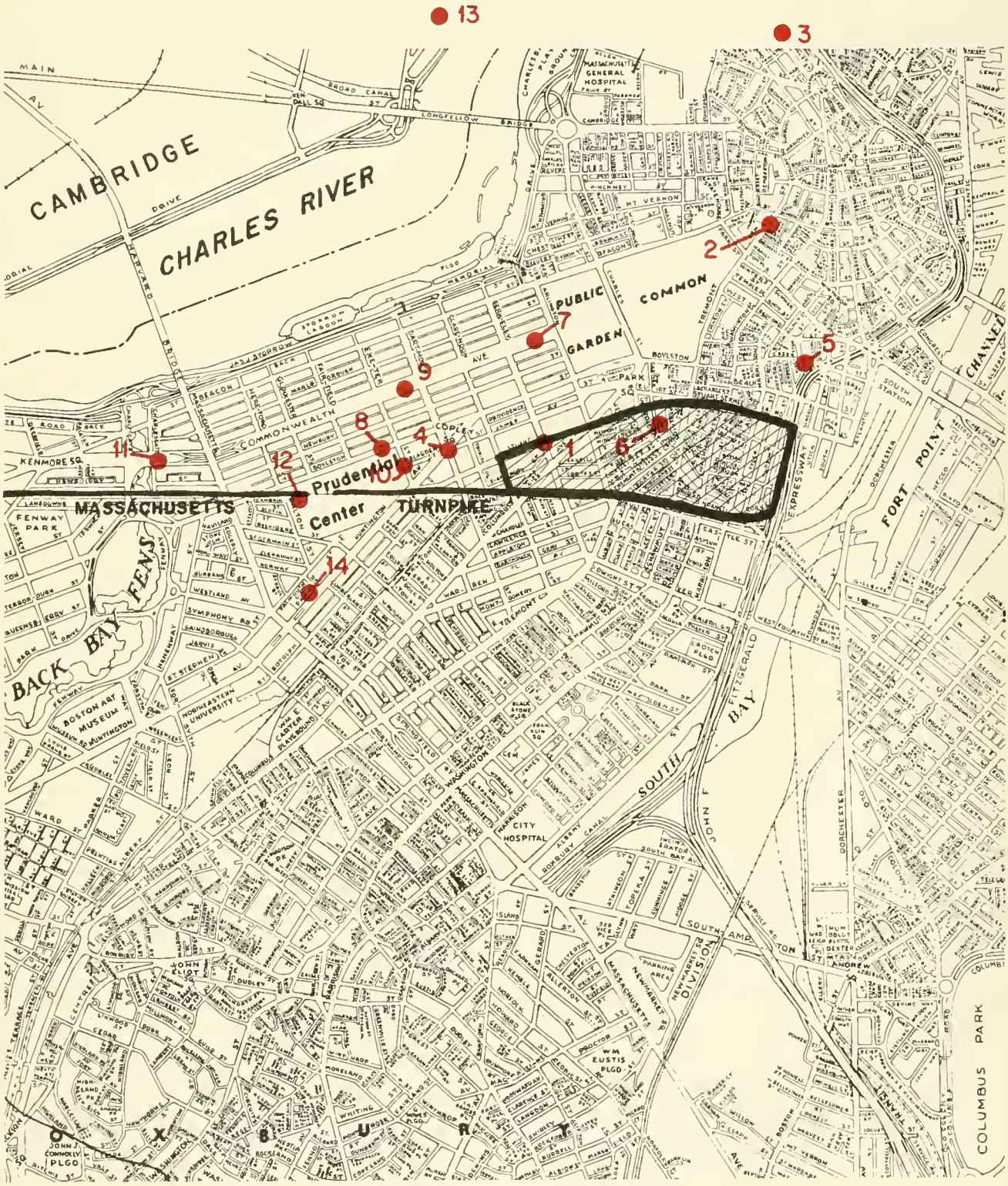

TABLE 1

BOSTON CENTRAL AREA AND VICINITY

MAJOR TRANSIENT FACILITIES

	Name	Opening Date		Total Rooms
		Pre-1959	1959-1966	
		(No. of Rooms)		
1	Statler Hilton	1,225		1,225
2	Parker House	555		555
3	Madison	500		500
4	Sheraton-Plaza	450		450
5	Essex	400		400
6	Bradford	350		350
7	Ritz-Carlton	300		300
8	Lenox	225		225
9	Vendome	225		225
10	Copley Square	200		200
11	Somerset	350		350
12	Sheraton-Boston		1,000	1,000
13	Charter House		200	200
14	Midtown Motor Inn		161	161
	Total	4,780	1,361	6,141
	Percent Distribution	77.8%	22.2%	100.0%

constructed since the Second World War. The other two new facilities are the Charter House in nearby Cambridge and the Midtown Motor Inn which is located almost opposite the Sheraton-Boston.

Most of the older hotels located in this designated area are found along Commonwealth Avenue or Boylston Street, generally in close vicinity to the Boston Common or the Public Garden. Only three of the eleven older facilities identified are located in the area east of the Boston Common. These are the Madison Hotel which is located conveniently to the North Station, the Parker House which is the only hotel located in close proximity to the city, county, and state governmental offices, and the Essex Hotel which is situated just off the recently opened Massachusetts Turnpike Extension.

In addition to the changes in the inventory of Boston central area transient facilities which has been brought about by the construction of the three new hotels discussed above, the following changes have taken place:

1. Five hotels have ceased operating in the last few years and the facilities have been converted to other uses. These are the Sherry Biltmore, the Kenmore, the Bostonian, the St. George, and the Touraine Hotels.

2. Four hotels have undergone substantial renovation probably necessitated by the increase in competitive conditions created by the development of new first class facilities. These four hotels are the Somerset, the Sheraton-Plaza, the Lenox and the Statler Hilton Hotels.

The conversion of some of the older hotels to other uses and the major renovation efforts which have been undertaken to bring some other hotels up to date reflect, of course, a continuing change in the market which is in evidence not only in Boston but in every metropolitan area. As new transient facilities are introduced into the central area of a city, older facilities find it more and more difficult to operate at satisfactory occupancy levels. Furthermore, some of the larger hotels, built in an era where the type of accommodations requested was substantially different from the type which now meets the demands of travelers, have such high operating expenses that they simply cannot remain competitive in the market, particularly not when faced with a declining occupancy ratio.

While the development of new first class hotels in a city's central area undoubtedly forces some of the older hotels to cease to operate earlier than they would if no such facilities were introduced into the market, it cannot be argued that these facilities have to cease operations on account of the introduction of new facilities alone.

Rather, the old hotels do not offer any longer the type of accommodations demanded by today's traveling public and, if no new central area transient facilities are developed, an increasingly larger number of visitors to a city will seek accommodations in newer motor-hotels, often at the outskirts of the city. Therefore, any central area of a city which wants to attract a certain share of the transient demand generated by the entire region must develop new first class accommodations even if the supply of old facilities is plentiful and even if these old facilities cannot achieve satisfactory occupancy levels, relative to their operating costs, prior to the development of new hotels.

Experience in recent years has shown that the newest hotels and motor-hotels, and among the newest, those which offer the largest number of amenities, achieve the highest occupancy ratios of any facilities in a city. This factor simply reflects the increasingly higher demand by today's traveling public. Also, new facilities have built-in efficiencies of operations which old facilities do not have and, therefore, the rates at new facilities, though often slightly higher than at older hotels, are not sufficiently higher to allow the old hotels to compete on a price basis when equal amenities are provided.

At the present time, a number of hotels or motor-hotels are under construction, planned or proposed in the Boston central area. These are:

1. A Holiday Inn opened in December 1968 in the West End Urban Renewal Project. This facility contains 304 rooms.

2. The Fenway Motel in nearby Cambridge, a 200 unit motel opened in 1968. It is probable that the ultimate size of this facility will be more than the 200 rooms which have been built initially.

3. The Heritage Inn, a 300 room facility rumored to be developed in the Park Square Area. This is probably the least likely of all new facilities to be developed for it has been rumored for many years that it would be built but as of now construction has not started.

4. A major transient facility is planned for the Government Center Project, for the parcel located on the southeast corner of New Sudbury Street and New Congress Street. The sponsor of this project plans a hotel of 400 rooms complete with ballroom, meeting rooms, swimming pool, etc.

5. Another transient facility is planned in the Waterfront Urban Renewal Project. As with the facility in the Government Center Project, no details are available at this time; however, it is believed that this facility also would have between 200 and 400 rooms.

6. Finally, the Logan International Inn is currently adding 150 rooms to the existing inventory of 217 rooms.

Of these facilities only the Holiday Inn in the West End Project, the 400 room hotel proposed for the Government Center Project, and the facility of, say, 400 rooms planned for the Waterfront Project can be expected to be directly competitive with the majority of facilities listed in Table 1 or new facilities in the South Cove Project Area. Thus to the inventory of first class space listed in Table 1 should be added 1,100 new rooms, or an addition of some 20%. It can be expected that these facilities will be added over a period of at least five years following the opening of the city's last major new hotel - the Sheraton-Boston. This represents an average rate of approximately 220 new rooms per year. At this rate it would take 22 years to replace the city's first class hotel rooms which pre-date 1959.

With respect to the occupancy ratio, on the basis of data compiled by Harris, Kerr, Forster & Company, the occupancy ratio in Boston hotels has been declining fairly steadily for the past 20 years. Whereas it was 90% in 1948, it declined to about 73% by 1958 and to about 72% by 1960. As may be noted in Table 2 following, which shows the annual occupancy ratio since 1960 for those hotels reporting to Harris, Kerr, Forster & Company, there is another significant drop in this ratio after 1963 when it fell to 66% in 1965. However, since 1965 a significant increase in occupancy has taken place returning to levels attained in the 1950's.

TABLE 2

Trends in Occupancy Levels Since 1960
Boston Hotels

Year	Occupancy
1960	72%
1961	71%
1962	71%
1963	70%
1964	67%
1965	66%
1966	75%
1967	77%

Note: Data for hotels reporting to Harris, Kerr, Forster & Company.

The reasons for the decline of the occupancy ratio between 1963 and 1964 are not known. That decline seems high when it is considered that the 1,000 room Sheraton-Boston opened in April 1965 and thus could be reflected at the earliest in the 1965 data. As may be noted, however,the decline between 1964 and 1965 is relatively modest and it is possible that the introduction of the Sheraton-Boston is not even reflected in that year.

Although the decline in the occupancy ratio could be interpreted as indicative of a market in which the development of additional transient facilities would entail ever increasing risks, it must be kept in mind that the old hotels in the inventory would be expected to have a low occupancy ratio regardless of the number of new facilities in the Central Boston area and that, furthermore, the new facilities have been designed and are being managed on such a basis that they can operate profitably at a relatively lower occupancy ratio than the old hotels when comparable amenities are provided. Therefore, the market must be assessed less in terms of recent trends in the local occupancy ratio and more in terms of Boston's ratio as compared to that of other major cities in the United States.

In 1967, the Boston occupancy level of those hotels reporting to Harris, Kerr, Forster & Company stood at 77%. This ratio is second only to San Francisco which attracts a particularly large number of tourists. The occupancy ratio is also significantly higher than that achieved by all hotels in the United States (63%).

Table 3

Occupancy Levels - Hotels in Selected Major U.S. Cities - 1967

San Francisco	86%
BOSTON	77%
New York	76%
New Orleans	75%
Chicago	72%
Washington	71%
Los Angeles	69%
Houston	59%
Philadelphia	59%
Baltimore	52%
Memphis	51%
U.S. Nationwide	63%

The overall occupancy level of hotels in the city, as shown in the preceding table, is an average of the occupancy levels achieved by both old and new facilities reporting. In Boston, a survey undertaken by this office in 1964 indicated that the newer facilities such as the Logan International Inn, the Cambridge House, the Midtown Motor Inn, the Treadway Motor House, and the Fenway Motor Hotel, operated at occupancy levels of between 90% and 100%. By way of comparison, some older first class facilities such as the Ritz Carlton, the Statler-Hilton, and the Sheraton Plaza operated at levels ranging from 75% to 85% and even older establishments such as the Parker House operated at levels ranging around 60%. While the occupancy level achieved by any particular facility is a function of its location, its management, and any advantages it might have with respect to a national affiliation and reservation service, there is one certain conclusion which can be drawn from all data available, mainly that new facilities achieve high occupancy levels and that the occupancy level declines, in a competitive market, the older a facility becomes. Thus, new facilities can be introduced into all but the weaker markets, provided they are suitably located with respect to the sources of transient housing demand.

SECTION II

THE DEMAND FOR TRANSIENT ACCOMMODATIONS

The demand for transient accommodations in the Boston central area can best be evaluated by grouping the people who generate this demand by the purpose for which they come to Boston. The principal reasons which bring people to the city are the following:

1. Meetings and conventions
2. Business
3. Tourist attractions
4. Institutions, both educational and medical, and
5. Local relatives and friends.

The demand generated by these sources is evaluated in the following paragraphs in terms of the changes which have occurred recently or which can be anticipated in future years.

1. Meetings and Conventions

Prior to the opening in spring 1965 of the 6,000-seat War Memorial Auditorium in Back Bay's Prudential Center, the City of Boston attracted about 170,000 convention delegates annually. As a direct result of the facilities available to conventions in the new auditorium, the number of convention delegates coming to Boston increased to 228,000 in 1966 and is estimated to reach 271,000 in the current year. Although some further increase can be expected in future years, it must be noted that even if only the anticipated 1967 convention attendance will be achieved and maintained, the sustained increment of convention delegates over the 1964 level would be about 100,000 per year.

On the basis of the assumption that each convention visitor will, on the average, spend three nights in the city, the increase in convention activity in the city since 1964 alone would keep a 1,000 room hotel occupied at 80% for the entire year. Therefore, assuming that the convention trade will be attracted to new facilities, provided they are available, 1,000 of the 1,300 rooms which have been built in recent years are estimated to be absorbed by the increase in convention activity alone so that, within the framework of the rest of the market, only 300 units have been added.

2. Business travelers

In 1960, the Boston Standard Metropolitan Statistical Area, of which the City of Boston is the commercial hub, provided employment for about 1.2 million persons. It is forecast that by 1980, the employ-

ment in this area will increase to over 1.5 million jobs. This represents an increase over 1960 of about 25%. Although there does not appear to be any clear-cut correlation between employment in, and business travel to a particular city, it is quite certain that the general increase in economic activity which underlies this forecast employment increase will generate additional business travel to Boston. While the increase in business trips to Boston may be slightly offset by increasingly better air transportation which will allow businessmen to come to the city in the morning and to leave it in the evening, it is nevertheless highly probable that there will be an overall increase in the demand for transient accommodations in the Boston area generated by this source.

With the revitalization of the central Boston area through urban renewal, a large portion of future office building construction will probably occur there rather than in the Boston suburban areas. Thus, a significant number of business visitors who will be coming to Boston probably can be attracted to central area hotels provided they are modern and have the amenities which businessmen seek. The concentration of governmental activities in Boston's Government Center, the proposed development of a 60-story John Hancock office tower in the Copely Square area, and, of course, the continuing revitalization of the CBD are only some of the many factors which point to increasing commercial activity in the central area of Boston, and, therefore, a growing demand for transient accommodations to serve business travelers.

3. Tourists

As the major city in New England, Boston with its many historical and other tourist attractions is visited every year by a large number of tourists. It is anticipated that in future years, with an increase in income, leisure time, mobility, and population, the number of tourists who will come to the city will be substantially larger than at present.

4. Visitor to Institution

Boston is well known and respected for its large number of medical and educational facilities, and the city's reputation as a center of science and education will be enhanced with the development of the NASA installation in nearby Cambridge. Within Boston, current and proposed expansion of educational, cultural and medical facilities* is quite extensive. The educational and medical facilities in the

* A listing of major medical expansion projects is provided in Appendix A.

city at present attract a significant number of visitors each year, and it is anticipated that this source of transient accommodation demand also will increase in future years.

5. Local Relatives and Friends

The final source of demand for transient accommodations are people who come to Boston to visit relatives and friends. In July 1967, the * Boston Standard Metropolitan Statistical Area (SMSA) had about 3,249,800 residents. It is forecast that this area's population will increase by approximately 110,000 residents every five years, so that by 1980 the population of the SMSA could be expected to surpass 4.0 million residents. This 20% - 30% population growth between now and 1980 could be expected to increase the demand for transient accommodations generated by visitors to the city who come to see relatives and friends by at least 15/ - 20/ Not only will income, leisure time, and the mobility of the population increase but at the same time, an increasingly larger share of the population will be living in apartments. This will lead to the necessity for out-of-town visitors to stay at transient facilities, rather than in the homes of their relatives or friends.

* * *

In summary, although the future demand for transient accommodations in the Boston central area is difficult to quantify, all sources of demand are expected to grow and, in total, the future demand should be substantially larger than the present demand. Given the fact that the new transient accommodations which have been built in the Boston area in recent years have very high occupancy ratios, ranging from 90% to 100%, it is anticipated that additional new transient facilities, if developed at suitable locations and if managed properly could achieve satisfactory operating results.

New transient facilities will be required to provide housing for the increased flow of visitors which can be anticipated to result from an expanding economy and from the need to replace older units. As a minimum requirement the combination of these factors can be expected to require an average annual addition equal to approximately 5% of the pre-1959 inventory of major transient facilities listed in Table 1, or approximately 250 rooms per year on average. Assuming that the 1,100 reasonably certain new rooms reported in Section I are built, there will still be an opportunity for at least 1,000 additional new rooms by 1975 in the central Boston area. This forecast is based, of course, upon the assumption that the city's economy will continue to grow. To the extent that present proposals do not materialize, or that redevelopment activity in Boston is accomplished earlier than presently anticipated, the opportunity for new transient facilities will be enhanced. In any event, the market is sufficiently strong that planning for new facilities should be a part of the CBD program.

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* Bureau of Census - Provisional Estimate July 1967

SOUTH COVE URBAN RENEWAL AREA

PROJECT AREA BOUNDARY

POTENTIAL SITES FOR TRANSIENT FACILITIES

Illustrative Site Plan

South Cove
Urban Renewal Area
Massachusetts R-92

SECTION III

TRANSIENT FACILITIES DEVELOPMENT OPPORTUNITIES
SOUTH COVE PROJECT

Four sites in the South Cove Urban Renewal Area have designated re-uses which would allow the development of transient facilities. These four sites are shown on the facing map relative to the project area as a whole and, particularly, relative to the proposed land uses in the project. Of the sites, Site 4 consists of two parcels of 14,000 and 16,500 square feet, respectively; however, since neither of the parcels alone would be of sufficient size to allow the construction of a motor-hotel complex, these two parcels have been evaluated as a single site.

Site 1

Site 1 is located on the southwest corner of the intersection between Stuart and Charles Streets, just south of the Statler Hilton Hotel. This site contains about 21,275 square feet of land and is almost rectangular in shape. Situated about two blocks from the Boston Common and Public Garden, Site 1 lies adjacent to the Bay Village residential neighborhood.

Site 1 is well located relative to other major hotels in the area and relative to convention facilities, office space clusters, and shopping and entertainment districts. The major disadvantage of the site is its very limited area of less than one-half acre.

Site 2

This site, the largest of the four designated sites in the project area, is located at the southwest corner of the intersection between Stuart and Charles Street extension. Located only one-half block east of Site 1, this parcel contains 71,600 square feet of land area and is rectangular in shape.

The general neighborhood characteristics in the vicinity of this site as well as its locational advantages are about the same as those of Site 1.

Site 3

This site is located on the southwest corner of the intersection between Stuart and Tremont Streets, one block east of Site 2. Consisting of about 29,000 square feet, Site 3 lies adjacent to the Boston theatre district: the Shubert Theatre adjoins Site 3 to the south and the Charles Playhouse is located on the site's southwest side. Also on the same block as the Shubert Theatre is the Bradford Hotel, and across Tremont Street the Wilbur and Music Hall theatres.

TABLE 4

BOSTON SOUTH COVE URBAN RENEWAL AREA
EVALUATION OF POTENTIAL HOTEL SITES
INDEPENDENT OF EACH OTHER

Location	Site 1 Stuart & Church St.		Site 2 Stuart & Charles St. Extension		Site 3 Stuart & Tremont St.		Site 4* Between Tremont & Charles St. Extension	
Site Area (Square Feet)	21,275		71,600		29,008		30,500	
	Weight	Rating	Weight	Rating	Weight	Rating	Weight	Rating
LOCATIONAL FACTORS								
1. General Neighborhood Characteristics	3	B	6	B	6	A	9	A
2. Physical Advantages of site	5	C	5	C	5	C	5	A
3. Proximity to								
a) Convention Facilities	4	B	8	B	8	C	4	C
b) Office Space Clusters	3	B	6	B	6	C	3	C
c) Tourist Attractions	2	C	2	C	2	C	2	C
d) Shopping/Entertainment	4	B	8	B	8	A	12	B
e) Other Hotels	3	A	9	A	9	B	6	B
f) Expressways	2	B	4	B	4	B	4	C
g) Public Transportation	1	C	1	C	1	C	1	B
Sub-total	27		49		49		46	
DEVELOPMENT FACTORS								
4. Site Area	3	C	3	A	9	C	3	C
5. Site Characteristics	3	A	9	A	9	A	9	C
Sub-total	6		12		18		12	
Total	33		61		67		58	

* Consists of two parcels of 14,000 and 16,500 square feet respectively.

Site 4

This site, as mentioned, consists of two parcels, which combined contain 30,500 square feet of land. Site 4 is very irregularly shaped, so irregular in fact that it might be difficult to achieve a proper architectural solution for the development of a transient facility thereon.

Opposite this site and to the north are the Charles Playhouse and the Bradford Hotel. On the south side a new public park is being proposed under current plans. This site has the same locational advantages in terms of proximity to the Boston theatres as Site 3. Relative to Site 3, Parcel 4 is larger and also faces the new park; however, the larger size of Site 4 will in all probability be offset by its irregular shape.

* * *

The suitability of these four sites for transient facilities has been analysed from a locational point of view and also in terms of development problems inherent in each site on account of shape, size and environmental factors. Furthermore, each parcel has been evaluated as a hotel site independently of as well as relative to each of the other sites.

As may be noted from Table 4, which summarizes the evaluation of each site independently, the locational and development factors considered are the following:

1. General neighborhood characteristics, notably adjacent land uses upon completion of the South Cove Project.

2. Physical advantages of each site, notably advantages of proximity to parks and other open space, and visibility.

3. Proximity of each site to various land uses which can be identified to attract transients, such as convention facilities, office space clusters, tourist attractions, shopping and entertainment districts, and other major hotels. Also, each site has been evaluated in terms of proximity to expressways and public transportation facilities such as train, subway and, indirectly, the Boston Airport.

4. The size of each site will be of interest to potential developers because it will determine to a large extent the overall size and type of a transient facility which can be developed thereon. Generally, a larger site is preferred by a developer because it allows for more flexibility in terms of architectural design and,

TABLE 5

BOSTON SOUTH COVE URBAN RENEWAL AREA
EVALUATION OF POTENTIAL HOTEL SITES
RELATIVE TO EACH OTHER

Location		Site 1 Stuart & Church St.		Site 2 Stuart & Charles St. Extension		Site 3 Stuart & Tremont St.		Site 4 Between Tremont & Charles St. Extension	
Site Area (Square Feet)		21,275		71,600		29,008		30,500	
	Weight	Rating	Weight	Rating	Weight	Rating	Weight	Rating	Weight
LOCATIONAL FACTORS									
1. General Neighborhood Characteristics	3	C	3	D	0	B	6	A	9
2. Physical Advantages of site	5	B	10	C	5	D	0	A	15
3. Proximity to									
a) Convention Facilities	4	A	12	B	8	C	4	D	0
b) Office Space Clusters	3	A	9	B	6	D	0	C	3
c) Tourist Attractions	2	D	0	C	2	A	6	B	4
d) Shopping/Entertnmnt	4	D	0	C	4	A	12	B	8
e) Other Hotels	3	A	9	B	6	C	3	D	0
f) Expressways	2	C	2	B	4	A	6	D	0
g) Public Transportation	1	D	0	C	1	B	2	A	3
Sub-total	27		45		36		39		42
DEVELOPMENT FACTORS									
4. Site Area	3	D	0	A	9	C	3	B	6
5. Site Characteristics	3	C	3	B	6	A	9	D	0
Sub-total	6		3		15		12		6
Total	33		48		51		51		48

furthermore, makes it possible for the development to create its own environment.

5. Site characteristics, particularly such factors as shape, easements, and access in the immediate site vicinity.

In order to judge the suitability of each of these sites from the point of view of potential customers and from the viewpoint of a developer, each of the locational and development factors discussed above has been assigned a weight ranging from 5 to 1. The highest weight of 5 has been assigned to 'Physical Advantages of the Site', for instance proximity to open space, visibility, and the general suitability of the site area for its intended use. These factors, more than any others, are expected to determine the potential customers' choice of one hotel as opposed to another. The lowest rating was given to 'Proximity to Public Transportation Facilities' because this factor is believed to be a minor consideration in determining the potential customers' hotel choice.

Evaluation of each Site Independently of the Other Sites

In analyzing each site independently of the other sites, summarized in Table 4, for each factor evaluated, each parcel was given a rating of 'A', 'B', or 'C' which stand for good, average, and poor. As may be noted, both Sites 3 and 4 were assigned an 'A' rating for general neighborhood characteristics while Sites 1 and 2 were given 'B' ratings. An 'A' rating values 3 points, a 'B' rating is worth 2 points and a 'C' rating counts 1 point.

The total of locational and development factors is 33; therefore, the maximum point value which any site can obtain is 99 (with all 'A' ratings). As is indicated in the bottom line of Table 4, the highest point value (67) was achieved by Site 2. Site 1 is next with 61 points, followed by Site 3 (58) and Site 4 (57).

The above point values reflect the total of each site for both locational and development factors. If only the locational advantages of each site are taken into consideration, Site 4 ranks first with 51 of a potential maximum of 81 points. Both Sites 1 and 2 have 49 points and Site 3 ranks last with 46 points.

Evaluation of Each Site Relative to the Other Parcels

Table 5 opposite summarizes the evaluation of the four sites in the South Cove Urban Renewal Area relative to each other. Unlike in the independent evaluation of each site, the relative evaluation judges one site to be best, one second best, one third best and, finally, one the least desirable of the four on each of the locational and

development factors identified. By this rating, Sites 2 and 3 obtain a point value of 51, while Sites 1 and 4 both have 48 points. If only the locational factors are considered, Site 1 ranks first, followed by Site 4, Site 3, and, lastly, Site 2.

In view of the fact that Site 2 ranks highest in the independent evaluation and as high as any other site in the relative evaluation, it is recommended that this site be given preference over the other three sites in planning for a transient facility in the South Cove Urban Renewal Area. While this particular site is not substantially superior to the other three in terms of locational factors, Site 2 is at least twice as large as the next largest parcels designated for potential reuse as a motor-hotel site. In fact, on account of the limited size of the other three sites, it is probable that only Site 2 would be of interest to a developer.

APPENDIX A

MAJOR PROJECTS

Major projects under construction or projected over the next decade by Boston Medical complexes:

Tufts-New England Medical Center	$72.5 million
Boston University Medical Center	$59.0 million
Boston City Hospital	$53.0 million
Harvard Affiliated Hospitals, Inc.	$50.0 million
Children's Hospital Medical Center	$50.0 million
Massachusetts General Hospital	$35.0 million
Beth Israel Hospital	$12.6 million
New England Deaconess	$ 8.2 million
Harvard School of Public Health	$ 7.0 million
Shriners Burns Institute of M.G.H.	$ 3.5 million
Mental Health Center, Boston Gov't Center	$11.0 million
Total	$361.8 million

Many other projects, some still in the development stage, include a new Lahey Clinic Foundation complex, additions to New England Baptist and Faulkner Hospitals, and additions to a number of smaller hospitals in the city.

A new Cambridge City Hospital and an addition to Newton-Wellesley Hospital, affiliated respectively with Harvard and Tufts, also are underway. Almost every community hospital around Boston is expanding to meet increased needs.

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